



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

March 20, 2003

John Ryan
Cadence Resources
6 East Rose Street
P.O. Box 2056
Walla Walla, Washington 99362

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Cadence Resources, Vipont Mine, S/003/035, Box Elder County, Utah

Dear Mr. Ryan:

On March 23, 1995, the Division received your Notice of Intention to Commence Small Mining Operations for the Vipont Mine.. This mine is located in Sections 1 and 12, T14N R18W, SLBM, Box Elder County, Utah. A detailed map showing the location of the mine was not included with the original submittal. On March 31, 1995, the Division requested a detailed map of the proposed disturbed area. To date, this map has not been provided. On June 17, 2002, The Division inspected the site. As part of the inspection, the disturbed area was surveyed with a GPS receiver. Results of this survey showed approximately 4.28 acres of disturbance. The GPS data was converted to an ARCVIEW shape file, which was overlaid on a digital USGS topographic map of the area (copy attached). The Division will consider this map as a representation of the area affected by the Vipont mining operation. With this map, your notice can be considered complete, and is hereby accepted.

The Division is aware of the current land dispute, and will expect an update of your notice once the Courts have decided the land dispute issue. Please note, if you intend to conduct mining related activities outside the area shown on the attached map, you will need to revise your notice and receive Division approval prior to conducting said activities.

The Utah Mined Land Reclamation Act of 1975 [40-8-7(I)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 2002, and annually thereafter, the fees for new and existing small mining notices of intention were increased to \$150.00. The Division has received your fee payment for the current year.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is

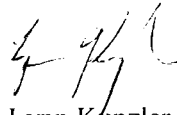
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very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

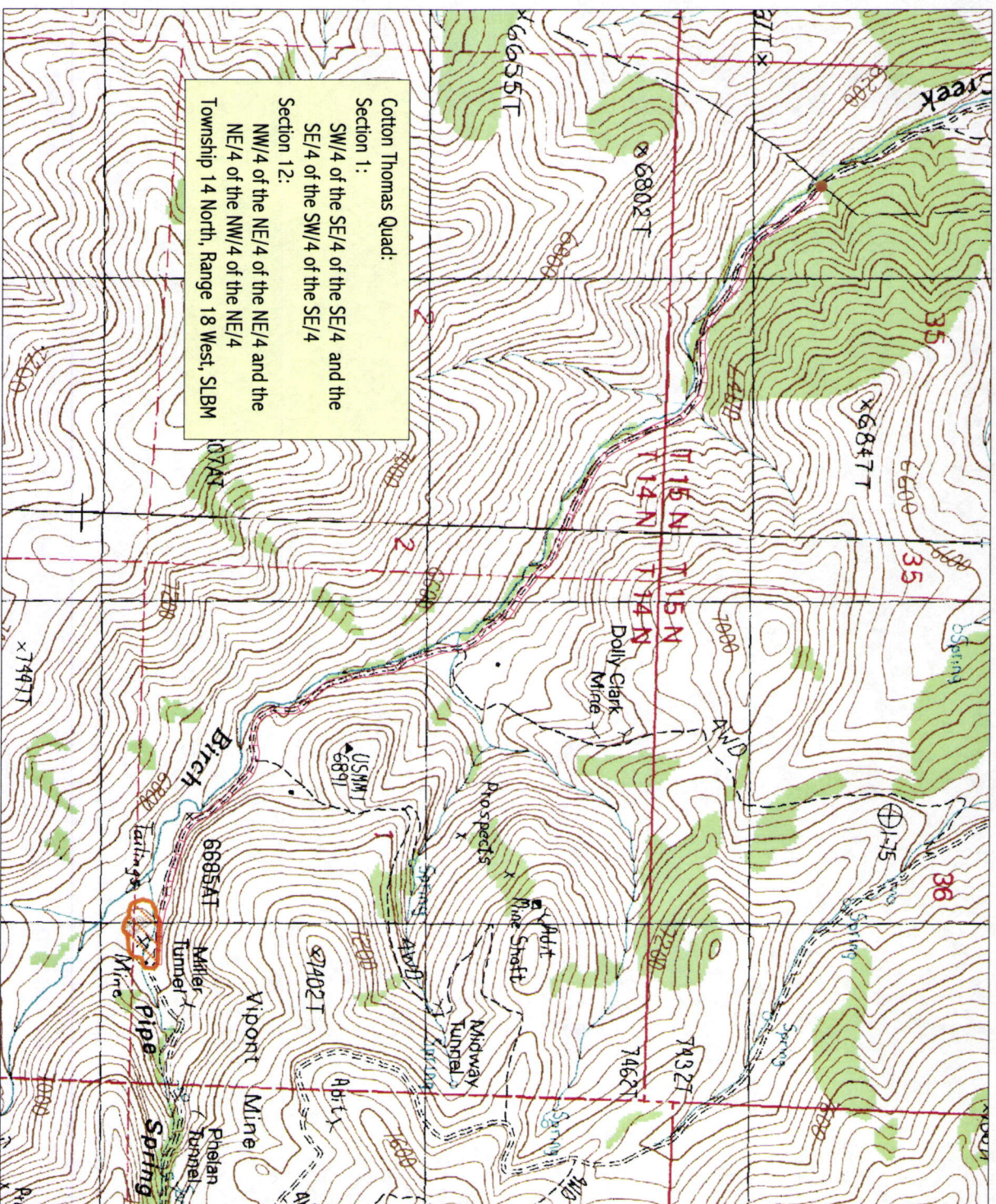
A handwritten signature in black ink, appearing to read 'L. Kunzler', with a stylized flourish at the end.

Lynn Kunzler,
Senior Reclamation Biologist

jb
Enclosure: SMO Summary, GPS map
O:\M003-Box Elder\s0030035-vipont\final\APVL-03202003.doc

Vipont Mine

S/003/035



This product may not meet DOGM standards for accuracy and content. Different data sources and input scales may cause some misalignment of data layers.

